

**DOCKET SECTION
BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001**

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POSTAL RATE AND FEE CHANGES, 1997)

Docket No. R97-1
U.S. POSTAL SERVICE
OFFICE OF THE SECRETARY

**JOINT RESPONSE OF PERIODICAL MAILERS TO MOTIONS
CONCERNING LIBRARY REFERENCES AND FUTURE PROCEDURES
(October 24, 1997)**

Pursuant to section 21 of the Commission's rules of practice and Presiding Officer's Ruling No. R97-1/49, American Business Press, Dow Jones & Company, Inc., Magazine Publishers of America, The McGraw Hill Companies, Inc., and Time Warner (hereafter referred to as "Periodical Mailers") hereby respond to the October 16, 1997 motions referred to in that Presiding Officer Ruling. They do so in light of the potentially important precedent that may be established by the Commission's ruling on those motions.

Although the Periodical Mailers have had a great deal of difficulty analyzing the data underlying the Postal Service's new costing methods, they—unlike the moving parties—did not find that particular library references and the Postal Service's failure to provide a sponsor at the outset unduly exacerbated their task. Nevertheless, the Periodical Mailers recognize that, next time, they could face a similar roadblock, and they accordingly share with the movants the goal of assuring that data underlying rates are adequately sponsored and in the record.

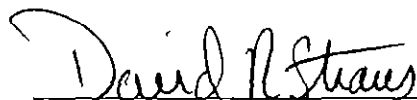
Given the history of this case, it is fair to conclude that the Postal Service has provided more data than in previous cases, but some parties may have been handicapped by the manner and timing in which certain information has been offered. It is, of course, for the Commission to determine whether such handicaps may be said to amount to a violation of due process that

would prevent it from making a recommended decision based on a record that is lawfully compiled.

The main problem here, of course, is the statutory ten-month limit set forth in 39 U.S.C. Section 3624(c), without which it would be both appropriate and probably non-controversial simply to extend the present schedule in a manner that assures all parties the right to discovery on, cross-examination of and rebuttal to all of the data, studies and assumptions that underlie the filed rates. With the extreme compression caused by that ten-month limit, however, what would be routine before other federal regulatory bodies becomes controversial before this Commission.

On balance, Periodical Mailers submit that it would not be appropriate to dismiss the Postal Service's filing, forcing it (and the parties) to start from scratch to develop presumably higher rates, to no one's benefit. This is not a case involving a for-profit, regulated utility where time lost equates to profits lost. Rather, as mailers know all too well, a Postal Service loss becomes "prior year loss recovery," which we will pay now or pay later.

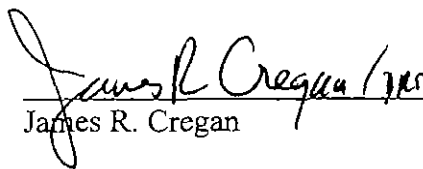
On the other hand, Periodical Mailers respectfully suggest that the procedural schedule might be modified to accommodate the legitimate need of the parties to know and have the opportunity to refute the theories and data underlying rate proposals with which they disagree. If necessary, the Commission may also consider extending the statutory deadline if the Commission can find that the legal prerequisites for the exercise of that authority have been met.



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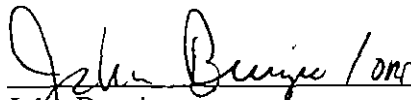
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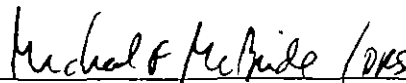


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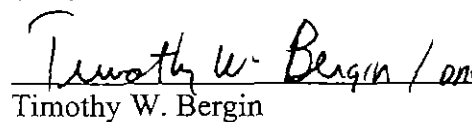
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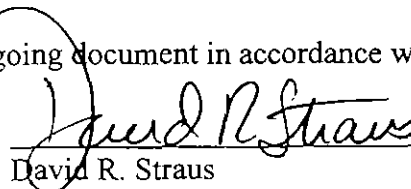
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CERTIFICATE OF SERVICE

I hereby certify that I have this date served the foregoing document in accordance with the Commission's Rules of Practice.



David R. Straus

Washington, D.C.
October 24, 1997